

Public Employee Post- Employment Health Benefits:

County of San Bernardino
Today-Tomorrow



May 31, 2007



Today:

- The County has almost 8000 retirees.
- Approximately 1500 are enrolled in the County's retiree medical plans.
- We currently offer three fully insured health plans – Health Net (HMO – 2 tier), Kaiser (HMO) and Blue Cross (PPO).
- The retirees are rated as a separate group from the active employees – retirees' experience directly drives their costs.
- The County is in a unique position – we do not subsidize the retiree medical premiums – **No GASB liability.**
- We offer a Retirement Medical Trust (VEBA). Eligibility and contribution rates vary by bargaining unit

Today:

- The retiree medical plan designs are very similar to the active plans. The plan designs are traditional with rich plan designs - the corresponding premium costs reflect this.
- Our retiree health insurance monthly premiums vary as follows:
 - Without Medicare:
 - \$578.99 (Retiree Only) to \$3036.33 (Retiree + 2)
 - With Medicare
 - \$125.86 (Retiree Only) to \$2448.00 (Retiree + 2)

Tomorrow:

- We are currently out to bid to determine appropriate plan designs and cost structures to offer to our retirees.
- The County is interested in alternate plan designs such as high deductible plans, closed network plans, mini-med plans and catastrophic coverage plans.
- Our desire is to keep our early retirees in our health plans and retain them as they age by offering different plan options that will be suitable for different stages of life.

Tomorrow:



- The County will be launching a it's "My Health Matters!" healthy living program to our retirees later on this year. This launch will be done in conjunction with the 2008 open enrollment (Oct 2007).
- The County believes that health awareness and health accountability will drive a more productive, healthier retiree population.
- Ultimate Goal: healthier, more informed, more personally accountable retiree group.....which over time will help stabilize and potentially lower health care costs

Summary: The County's Focus

- Increase level of participation in the County's medical plans.
- Offer a variety of "life cycle" health plans that will provide affordable options.
- Negotiate all retirees as one group with various plan options if feasible.
- Increase availability of the Retirement Medical Trust.
- Intrinsically tie the "My Health Matters!" healthy living program to retirees.
- Discuss options with other entities such as sister Counties and the State to determine if there are solutions/partnerships that can increase purchasing power. The County desires to be on the cutting edge for viable solutions to the post employment health care cost crisis.